

**RECEIVED**

SEP - 9 2009

**CHARTIS**  
STATE FILINGS DEPARTMENT  
175 WATER STREET, 17TH FLOOR  
NEW YORK, NEW YORK 10038

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

Jameka Y. Harris  
Filings Analyst

Telephone: (212) 458-7056  
Facsimile: (212) 458-7077

E-mail: jameka.harris@chartisinsurance.com

August 12, 2009

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Financial & Professional Regulation  
Illinois Department of Insurance  
320 West Washington Street, 4th Floor  
Springfield, Illinois 62767-0001  
Attn.: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit

**FILED**

MAY 26 2010

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**RE: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**

NAIC #012-19445 FEIN #25-0687550

RATE/RULE

**Dentists Liability Program**

Rate Plan and Rating Rules

**Our Filing No.: AIC-08-EO-10**

Dear Mr. Gatlin:

National Union Fire Insurance Company of Pittsburgh, Pa. has on file with your Department its Dentist Professional Liability Program (the "Program"). The rates and rules included in this filing are submitted to replace the rates and rules previously submitted for this Program.

As required, the related forms were submitted separately (SERFF Tracking no. AGNY-126261796).

Please refer to the attached Filing Memorandum, rate plan and rating rules for information about the rates and rules included in this submission.

We wish to make this filing effective September 14, 2009, or the earliest date permitted by your Department.

Sincerely,

Jameka Y. Harris

FO  
MEM  
RVL  
Jeh

**RATE/RULE FILING SCHEDULE I**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

**(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	AIC-08-EO-10
<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	AIC-08-EO-10

☒ Rate Increase

☐ Rate Decrease

☐ Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>						
<b>4a.</b>	<b>Rate Change by Company (As Proposed)</b>						
	<b>Company Name</b>	<b>Overall % Rate Impact</b>	<b>Written premium change for this program</b>	<b># of policyholders affected for this program</b>	<b>Written premium for this program</b>	<b>Maximum % Change (where required)</b>	<b>Minimum % Change (where required)</b>
	National Union Fire Insurance Company of Pittsburgh, Pa.	Rate Neutral	\$0	87	\$144,707	Rate Neutral	Rate Neutral
<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
	<b>Company Name</b>	<b>Overall % Rate Impact</b>	<b>Written premium change for this program</b>	<b># of policyholders affected for this program</b>	<b>Written premium for this program</b>	<b>Maximum % Change</b>	<b>Minimum % Change</b>

<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>			
		<b>COMPANY USE</b>	<b>STATE USE</b>
<b>5a.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5b.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5c.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		

<b>6.</b>	<b>Overall percentage of last rate revision</b>	22.0%
<b>7.</b>	<b>Effective Date of last rate revision</b>	11/07/05
<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	

<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or Withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**ILLINOIS CERTIFICATION FOR  
MEDICAL MALPRACTICE RATES**


**(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's**

I, Adam C. Reed, a duly authorized officer American Home/National Union Group am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Mary Gaillard, am a member of the Casualty Actuarial Society and a Member of the American Academy of Actuaries and have met the Qualification Standards of the American Academy. I am a duly authorized actuary of the American Home/National Union Group and am authorized to certify on behalf of American Home/National Union Group making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am

  
\_\_\_\_\_  
Assistant Vice President  
Signature and Title of Authorized Insurance Company Officer

Date

  
\_\_\_\_\_  
Vice President and Associate Actuary  
Signature, Title and Designation of Authorized Actuary

Aug 13, 2007  
Date

Insurance Company FEID 25-0687550

Filing Number: AIC-DB-EO-10

Insurer's Address 175 Water Street

City: New York State: New York Zip Code: 10038

Contact Person's: Jamara Harris

-Name and E-mail jamara.harris@charltoninsurance.com

-Direct Telephone and Fax Number: Telephone: \_\_\_\_\_  
Fax: (212) 458-7077

Change in Company's premium or rate level produced by rate revision effective

2/22/2010

(1)	(2)	(3)
<u>Coverage</u>	<u>Annual Premium Volume (Illinois)*</u>	<u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto	\$144,707	-47%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>Medical malpractice</u>		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:

All Territories

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

dental

The filing proposes to revise the rating plan with changes to the base rate, territory factors, class plan factors, policy type factors, increased limit factors, minimum premiums and new dentist discount factors. In addition, deductible factors, Academy of General Dentistry Membership credits, American Dental Association Member credits, group discounts and additional coverage options have been added to the rate plan. Please see the attached side by side comparison.

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which will result from application of new rates.

**RECEIVED****MAR 02 2010**

**STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS**

National Union Fire Insurance Company of Pittsburgh, Pa.

Name of Company

Adam C. Reed - Vice President

Official-Title

H29219D

FILING# AIC-08-EO-10

Change in Company's premium or rate level produced by rate revision effective		\$0
(1)	(2)	(3)
Coverage	Annual Premium Volume (Illinois)*	Percent Change (+ or -)**
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$144,707	Revenue Nuetral
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:  
All Territories

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):  
See explanatory memorandum for Dental Professional Liability program.

\* Adjusted to reflect all prior rate changes.  
\*\* Change in Company's premium level which will result from application of new rates.

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SEP - 9 2009

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

National Union Fire Insurance Co.  
Name of Company

Adam Reed, Assistant Vice Presid  
Official-Title

## Neuman, Gayle

---

**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Thursday, May 27, 2010 2:16 PM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-08-EO-10

Ms. Newman,

We would like to have an effective date of May 26, 2010. Thank you.

### **Myron Harry**

Analyst  
Chartis  
State Filings Division

(212) 458-7057 Telephone  
(212) 458-7077 Facsimile  
<mailto:myron.harry@chartisinsurance.com>

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175 Water Street, 17th Floor  
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[www.chartisinsurance.com](http://www.chartisinsurance.com)

### **IMPORTANT NOTICE:**

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Thursday, May 27, 2010 12:02 PM  
**To:** Harry, Myron  
**Subject:** FW: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-08-EO-10

Ms. Harry,

I received your voice mail message but need something in writing to show how I came up with the date. Please respond as soon as possible.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

**From:** Neuman, Gayle  
**Sent:** Wednesday, May 26, 2010 2:23 PM  
**To:** 'Harris, Jameka'  
**Subject:** FW: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-08-EO-10

Your prompt attention is requested.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

**From:** Neuman, Gayle

**Sent:** Thursday, May 20, 2010 1:52 PM

**To:** 'Harris, Jameka'

**Subject:** National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-08-EO-10

Ms. Harris,

The Department of Insurance has now completed its review of the filing referenced above. National Union Fire previously requested the filing be effective February 22, 2010. Was the filing put in effect on February 22, 2010 or do you wish to have a different effective date?

Your prompt response is appreciated.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [GAYLE.NEUMAN@ILLINOIS.GOV](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).

## **Dentists Filing Memorandum- Illinois**

We are pleased to inform you of the recent agreement with Affinity Insurance Services, Inc., a Division of AON, to include their Dentist Advantage business with our existing, filed Dentists Professional Liability program (Filing # - AIC-05-EO-06). The Dentist Advantage program was previously underwritten by Fireman's Fund Insurance Companies and was approved for their use effective July 15, 2007.

Given that there is significantly greater volume in the Dentist Advantage program than with our existing Dentists business, we have utilized the knowledge gained from that business to enhance our existing product. In addition to creating an enhanced product, the changes listed below will consolidate both the Dentists Advantage business and our existing business into a single rating and underwriting approach which will eliminate the need to handle Insureds in your state in a bifurcated manner.

The changes referenced above are outlined below:

☐ The Base Rate will remain the same.

☐ The coverage forms will have the following changes:

- The Claims Made & Occurrence Dentists Professional Liability Insurance Form will remain intact with the exception of several minor enhancements which have been added to the coverage for no additional charge. The updated forms are included in this package. For your convenience both the final version of the form, as well as the black lined version which tracks the changes have been included.

Some highlights of the additional enhancements are as follows:

- Who is an Insured has been expanded to include a Dentist's spouse and Dental Hygienists.
  - Regulatory Review Coverage has been amended to a \$50,000 Limit.
  - Exclusions were eliminated for the following: Sargenti Paste; Chloral Hydrate, Halcion, Triazolam; X-Rays for Therapeutic Treatment; Libel, Slander & HIPPA Violations.
  - Limits of Insurance were amended to include separate limits for each named dentist and named insured.
- 
- In order to provide similar coverage for our Insureds to what has been offered through the Dentist Advantage program, this product will also offer General Liability Coverage using ISO coverage forms currently on file. This coverage will be provided on an optional basis at the same additional pricing as the Dentist Advantage program. Coverage for Premises, Product/Completed Operations, Medical Payments (\$10,000/\$10,000), Non-owned & Hired Auto Liability, Employee Benefits Administration Liability, Employment Practices Liability



(\$5,000/\$5,000), & Medical Waste Legal Reimbursement (\$50,000/\$50,000) are all included in this additional charge. In addition to these basic coverages, we are also offering, on an optional basis, coverage for ERISA Fiduciary Liability Coverage (\$100,000/\$100,000) and Billing Errors & Omissions Coverage (\$25,000) for a nominal charge which is included in the updated Rating Rules.

- ☐ The Rating Rules have been modified to include the previously mentioned changes associated with the additional General Liability Coverage Part as well as the changes listed below. For your convenience, we have included a side by side comparison of the Rating Rules currently on file.

Some highlights of the changes include:

- In order to provide coverage for a broader range of Dentists we have adopted the filed and approved Class Descriptions & Class Plan Relativity Factors of the Dentists Advantage program.
  - We have added several Increased/Decreased Limit Factors to correspond with the Limit options included in the filed and approved Dentists Advantage program.
  - In order to provide more pricing options to our Insureds, we have included deductible options along with their corresponding credit factors. These deductible options were also a part of the filed and approved Dentists Advantage program.
  - We have added the approved Dentists Advantage Group Discounts for policies issued to two or more dentists.
- 
- ☐ We are including an amended application which includes components of both our existing Application as well as the Dentist Advantage Application. Much of the content was developed with input from The Academy of General Dentistry Association.

Included in this submission are the following informational documents for your reference:

1. Enhanced Claims Made & Occurrence Dentists Professional Liability Insurance Form and Declarations Page along with the black lined version which indicates the changes from the current filed and approved form.
2. The additional non-ISO endorsements and coverage parts.
3. Updated Rating Rules inclusive of a side by side comparison with our currently filed and approved Rating Rules.
4. Updated Rate Plan.
5. The amended Application.

We are pleased to notify you of these changes which will provide a significantly enhanced product to our Insureds.

**Neuman, Gayle**

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**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Tuesday, March 02, 2010 4:06 PM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10  
**Attachments:** IL RF-3 Summary Sheet 3-2-10 (2).pdf; IL Dental -RatePlan-side by side comparison (3).pdf

Ms. Neuman,

In response to your email dated February 23, 2010, we offer the following:

1. Attached please find a revised RF-3 Summary Sheet.
2. Attached please find a side-by-side comparison of the Dental Professional Liability Rate Plan.

Please let us know if we can be of any further assistance.

Myron Harry

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Monday, March 01, 2010 9:59 AM  
**To:** Harry, Myron  
**Subject:** FW: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

I am awaiting receipt of the revised RF-3 Summary Sheet. Is it possible to provide this to the Department today?

Gayle Neuman  
 Department of Insurance

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**From:** Neuman, Gayle  
**Sent:** Tuesday, February 23, 2010 11:05 AM  
**To:** 'Harry, Myron'  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

We need the RF-3 to indicate the changes being made – base premium decrease – change to territory factors, class plan factors, etc. Unfortunately, we cannot accept “see explanatory memorandum” as the reason – and the explanatory memorandum did not clearly list each factor that was changed.

Your prompt attention is appreciated.

Gayle Neuman  
 Department of Insurance

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**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Tuesday, February 23, 2010 8:36 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

3/3/2010

Ms. Neuman,

We would like an effective date of 2/22/2010. Thank you.

Myron Harry

---

3/3/2010

**National Union Fire Insurance Company of Pittsburgh, Pa.**  
**Dental Professional Liability**

**Explanatory Memorandum**  
**ILLINOIS**

National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to consolidate the Dentist Advantage program, a new book of business recently acquired from Affinity Insurance Services, Inc. (a division of Aon), with the existing National Union book of business by applying a single rating and underwriting approach. Given that there is a significantly greater volume in this new book of business, the company proposes to alter the current filed rating plan in order to utilize the knowledge gained from the acquisition of the Dentist Advantage program and enhance its current product. The proposed rate plan will consist of a hybrid between the National Union's filed rate plan, the Fireman Fund's Insurance Companies rate plan (previous underwriter of the AON book of business) and underwriting judgment. It is estimated that the transition to the new rate plan will be revenue neutral for National Union's existing insureds.

**Exhibit 1: *CALCULATION OF INDICATED RATE LEVEL CHANGE***

Ultimate developed, trended and on-level results are shown for countrywide loss experience for this program. Countrywide earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and LAE are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 15%.

**Exhibit 2: *DEVELOPMENT OF REPORTED INCURRED LOSS AND LAE TO ULTIMATE***

Countrywide calculation of ultimate loss and LAE ratios are shown for the most recent five years. Ratios are based on calendar year earned premiums and accident year ultimate loss and LAE, including unallocated LAE (Exhibit 6).

**Exhibit 3: *INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT***

Accident Year Loss and Allocated Loss Adjustment Expense experience for Healthcare Professional Liability programs is shown as of 6/2009, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). Due to the volatility of the loss development data for this program, a larger database is used to select loss development factors. This is appropriate because of the homogenous nature of these claims, as well as the fact that they are all handled by the same claims specialists. In addition the program specific experience is included in Exhibit 3A. These factors are then applied to the countrywide Exhibit 3B loss experience for Dental Professional Liability.

**Exhibit 4: *TREND ANALYSIS***

Calculation of annual frequency/severity trend is based on the most recent policy year experience for Healthcare. The least squares method has been used to measure the average change in frequency and severity. The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

**Exhibit 5: *EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO***

Expense provisions are based on the expenses found for Medical Malpractice in the American Home/National Union Group Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 15%.

**Exhibit 6: *DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR***

The unallocated loss adjustment expense provision is determined using data from the Healthcare cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

**Exhibit 7: *INVESTMENT INCOME EXHIBITS***

The investment income exhibits are based on American Home/ National Union Group's Annual Statement experience and incorporate the Medical Malpractice premium and program budgeted expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

## DENTAL PROFESSIONAL LIABILITY

(\$ IN 000'S)

## DETERMINATION OF RATE LEVEL INDICATION

## ILLINOIS

	Accident Year	(1) Total Limits Premium at Present Rates (Note A)	(2) Total Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
	COUNTRYWIDE						
(1)	2004	1,215	324	0.267	1.236	0.330	0.10
(2)	2005	8,045	4,463	0.555	1.195	0.663	0.15
(3)	2006	10,426	12,712	1.219	1.154	1.407	0.20
(4)	2007	10,412	8,529 (E)	0.819	1.115	0.913	0.25
(5)	2008	9,873	8,953 (E)	0.907	1.077	0.977	0.30

## ILLINOIS

(1)	2004	30	0	0.000	1.236	0.000	0.10
(2)	2005	162	0	0.000	1.195	0.000	0.15
(3)	2006	171	195	1.141	1.154	1.317	0.20
(4)	2007	163	131 (E)	0.808	1.115	0.901	0.25
(5)	2008	152	133 (E)	0.870	1.077	0.938	0.30

ILLINOISCW

(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.770	0.935
(6a)	Credibility Weights (Note C):	0.115	0.885
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.916	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.778	
(8)	Indicated Rate Level Change [ (6b)/7 ] - 1	17.8%	
(9)	Estimated Rate Level Change	Revenue Neutral	

## NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.
- (B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
- (C) The credibility standard is 683 claims for the experience period.  
 $CW \text{ Credibility} = 1 - \text{State Credibility}$
- (D) Credibility Weighted Ultimate Loss & LAE Ratio =  
 $[\text{State}(6) * \text{State}(6a) + CW(6) * CW(6a) + \{1 - \text{State}(6a) - CW(6a)\} * \text{Trended ELR}]$
- (E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,  
 $\text{Ultimate Loss \& LAE} = EPXELRX[1 - 1/LDF] + \text{reported incurred loss \& lae}$

**DENTAL PROFESSIONAL LIABILITY**

(\$ IN 000'S)

**DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS****ILLINOIS**

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)
Accident Year	Total Limits Earned Premium	Total Limits Reported Incurred Loss & ALAE (Exhibit 3)	Loss Development Factors (Exhibit 3A)	Ultimate Loss & L.A.E. (Incl. 1.8% Unalloc L.A.E.)	Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2004	1,124	273	1.167	324	0.288
2005	7,350	3,238	1.354	4,463	0.607
2006	9,846	7,257	1.721	12,712	1.291
2007	10,255	3,774	2.320	8,910	0.869
2008	9,871	2,852	4.431	12,861	1.303
Total	38,447	17,393		39,270	1.021

**ILLINOIS**

2004	25	0	1.167	0	0.000
2005	133	0	1.354	0	0.000
2006	160	111	1.721	195	1.217
2007	163	57	2.320	135	0.829
2008	152	39	4.431	174	1.141
Total	633	207		504	0.796

**American Home/National Union Group**  
**HEALTHCARE PROFESSIONAL LIABILITY PROGRAMS**  
(\$ in 000'S)  
**COUNTRYWIDE**

**TOTAL LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009**

Accident Year	6	18	30	42	54	66	78	90	102	114
2000	859	6,325	13,946	22,301	26,088	30,245	32,563	34,517	36,984	37,307
2001	1,641	6,673	16,677	29,109	33,318	36,138	36,457	38,302	38,260	
2002	2,901	8,528	15,878	23,555	28,834	35,215	35,954	35,834		
2003	1,868	10,357	21,754	33,195	44,994	51,404	54,070			
2004	2,775	15,306	37,197	50,869	59,320	67,879				
2005	2,301	21,522	33,930	44,826	59,504					
2006	4,242	19,364	43,932	59,399						
2007	3,838	23,315	44,756							
2008	5,510	26,442								
2009	4,150									

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	114-ULT
2000	7.363	2.205	1.599	1.170	1.159	1.077	1.060	1.071	1.009	
2001	4.066	2.499	1.745	1.145	1.085	1.009	1.051	0.999		
2002	2.940	1.862	1.483	1.224	1.221	1.021	0.997			
2003	5.544	2.100	1.526	1.355	1.142	1.052				
2004	5.516	2.430	1.368	1.166	1.144					
2005	9.353	1.577	1.321	1.327						
2006	4.565	2.269	1.352							
2007	6.075	1.920								
2008	4.799									
Weighted Average	5.315	2.047	1.436	1.236	1.147	1.039	1.035	1.033	1.009	
4 Yr Wtd Average	5.704	2.010	1.376	1.264	1.145	1.039				
3 Yr Wtd Average	5.086	1.910	1.348	1.271	1.160	1.030	1.035			
2 Yr Wtd Average	5.323	2.078	1.339	1.242	1.143	1.039	1.024	1.033		
Selected Age-to-Age		1.910	1.348	1.271	1.160	1.030	1.035	1.033	1.009	
Ultimate Factors		4.431	2.320	1.721	1.354	1.167	1.133	1.094	1.059	1.050

**DENTAL PROFESSIONAL LIABILITY**

(\$ in 000'S)

**COUNTRYWIDE****TOTAL LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009**

Accident Year	6	18	30	42	54	66
2004	0	28	79	117	205	273
2005	26	555	1,057	1,790	3,238	
2006	221	2,181	4,934	7,257		
2007	291	1,651	3,774			
2008	447	2,852				
2009	94					

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	6-18	18-30	30-42	42-54	54-66
2004	1.000	2.821	1.489	1.750	1.333
2005	21.131	1.906	1.694	1.809	
2006	9.868	2.263	1.471		
2007	5.672	2.285			
2008	6.387				
2009					

4 Yr Wtd Average	7.349	2.230			
3 Yr Wtd Average	6.972	2.226	1.510		
2 Yr Wtd Average	6.105	2.272	1.510	1.805	



**DENTAL PROFESSIONAL LIABILITY**

(\$ IN 000'S)

**ILLINOIS****TOTAL LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009**

Accident Year	6	18	30	42	54	66
2004	0	0	0	0	0	0
2005	0	0	0	0	0	
2006	8	95	79	111		
2007	0	5	57			
2008	15	39				
2009	0					

**INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT**

Accident Year	6-18	18-30	30-42	42-54	54-66
2004	1.000	1.000	1.000	1.000	1.000
2005	1.000	1.000	1.000	1.000	
2006	12.666	0.828	1.416		
2007	1.000	10.426			
2008	2.570				
Average ex hi/lo	1.523	1.000	1.000		
4 Yr Average	4.309	3.314			
3 Yr Average	5.412	4.085	1.139		
2 Yr Average	1.785	5.627	1.208	1.000	

@09Q2

**Calculation of Annual Trend Factor**

Countrywide as of 6/2009

## Total Limits Frequency Trend

(1)	(2)	(3)	(2)/(3)	(4)
Policy Year	Ultimate Closed With Payment Claims	Number of Policies	Closed With Payment Claims Per 100 Policies	Exponential Curve of Best Fit
2003	270	89,554	0.30169	0.24307
2004	259	94,907	0.27341	0.32233
2005	402	97,354	0.41338	0.42743
2006	437	94,880	0.46109	0.56680
2007	704	85,492	0.82340	0.75162
2008	1,061	96,641	1.09839	0.99669
Average Annual Change in Claim Frequency			[ R Squared = 0.91155126 ]	32.61%

## Total Limits Severity Trend

(1)	(2)	(3)	(3)/(2)	(4)
Policy Year	Ultimate Closed With Payment Claims	Ultimate Paid Losses	Ultimate Paid Losses per Claim	Exponential Curve of Best Fit
2003	270	50,448	186.7	202.1
2004	259	42,292	163.0	158.8
2005	402	45,831	113.9	124.8
2006	437	51,028	116.6	98.1
2007	704	67,694	96.2	77.1
2008	1,061	50,174	47.3	60.6
Average Annual Change in Claim Severity			[ R Squared = 0.86688181 ]	-21.40%

INDICATED COMBINED TREND [Frequency x Severity]

4.23%

SELECTED OVERALL COMBINED TREND [Frequency x Severity]

3.50%

**Derivation of Expected Loss Ratio**

(1) Target rate of return on equity			15.0%
(2) Premium to Surplus Ratio			79.0%
(3) Target rate of return on premium [(1)/(2)]			19.0%
(4) Rate of return on premium			23.7%
(5) Target underwriting profit (loss) [(3)-(4)/.65]			-7.3%
(6) Total Expenses			29.5%
	a. Commissions	17.50%	
	b. Other Acquisition	5.83%	
	c. General Expenses	1.86%	
	d. Taxes, Licenses & Fees	4.31%	
<hr/>			
(7) Expected Loss Ratio [1-(6)-(5)]			77.8%

## Healthcare

(000's)

## Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

ITEM		2004	2005	2006	2007	2008	5-year Average
(1)	Losses Paid	271,474	175,786	206,975	188,980	212,809	211,205
(2)	Changes in Unpaid Losses	273,715	465,082	52,387	2,547	-159,111	126,924
(3)	Losses Incurred (1) + (2)	545,189	640,868	259,362	191,527	53,698	338,129
(4)	Allocated Loss Adjustment Expenses	76,023	68,936	72,293	76,744	85,730	75,945
(5)	Total Loss & ALAE (3) + (4)	621,212	709,804	331,655	268,271	139,428	414,074
(6)	Unallocated Loss Adjustment Expenses	7,550	5,547	7,136	7,778	8,509	7,304
(7)	Unallocated Loss Expense Ratio (6)/(5)	1.2%	0.8%	2.2%	2.9%	6.1%	1.8%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

Medical Malpractice

<b>A. <u>UNEARNED PREMIUM RESERVE</u></b>				
1.	Medical Malpractice Direct Earned Premium for Calendar Year 2008			\$114,663
2.	Mean Unearned Premium Reserve $[0.501 * (1)]$ (See Notes p. 2)			57,497
3.	Deduction for Prepaid Expenses (See notes p. 2)			
	a) Commission and Brokerage	17.50%		
	b) Taxes, Licenses and Fees	4.31%		
	c) 50% of Other Acquisition Expenses	2.92%		
	d) 50% of General Expenses	0.93%		
	e) Total	25.65%		
4.	Deduction for Federal Taxes Payable (See Notes p. 2)			7.0%
5.	Net Amount Subject to Investment Income $[(2) \times (1.000 - (3) - (4))]$			38,722
<b>B. <u>DELAYED REMISSION OF PREMIUMS (Agents' Balances)</u></b>				
1.	Direct Earned Premium $[(A.1)]$			114,663
2.	Average Agents' Balance (See Notes pp. 2-3)			0.124
3.	Delayed Remission $[(1) \times (2)]$			14,193
<b>C. <u>LOSS RESERVE:</u></b>				
1.	Direct Earned Premium $[(A.1)]$			114,663
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.778	89,180
3.	Expected Mean Loss Reserves $[4.664 \times (2)]$ (See Notes p. 3)			415,951
<b>D. <u>SURPLUS</u></b>				
1.	Direct Written Premium			125,884
2.	Surplus Subject to Investment $[(D.1)/\text{prem to surp}]$			159,346
<b>E. <u>NET AMOUNT SUBJECT TO INVESTMENT: <math>[(A.5) - (B.3) + (C.3) + (D.2)]</math></u></b>				
				599,826
<b>F. <u>AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)</u></b>				
				5.03%
<b>G. <u>INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT <math>[(E) \times (F)]</math></u></b>				
				30,173
<b>H. <u>AVERAGE RATE OF RETURN (As % of Direct Earned Premium) <math>[(G) / (A.1)]</math></u></b>				
				26.31%
<b>I. <u>AVERAGE RATE OF RETURN (After Federal Income Taxes) <math>[(H) \times 0.901]</math></u></b>				
				23.72%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2008 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2008. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2008	\$ 114,663
2. Direct Unearned Premium Reserve as of 12/31/07	51,886
3. Direct Unearned Premium Reserve as of 12/31/08	63,107
4. Mean Direct Unearned Premium Reserve $1/2 [(2) + (3)]$	57,497
5. Ratio $[(4) / (1)]$	0.501

Line A.3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

Medical Malpractice

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	(In 000's)
1. Net Earned Premium for Calendar Year 2008	\$ 19,629,152
2. Net Agents' Balances as of 12/31/07	1,648,866
3. Net Agents' Balances as of 12/31/08	2,283,776
4. Mean Agents' Balances $1/2 \times [(2) + (3)]$	1,966,321
5. Ratio $[(4) / (1)]$	0.100

The above percentage must be multiplied by a factor of 1.236 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.236 is based on 2008 company data.

Final adjusted Agents' Balance:	0.1238
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Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2007 and 2008 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	(In 000's)
1. Incurred Losses and L.A.E. for Calendar Year 2007	69,179
2. Incurred Losses and L.A.E. for Calendar Year 2008	96,751
3. Loss Reserves and L.A.E. as of 12/31/06	482,785
4. Loss Reserves and L.A.E. as of 12/31/07	465,875
5. Loss Reserves and L.A.E. as of 12/31/08	473,807
6. Mean Loss Reserve 2007: $1/2 [(3) + (4)]$	474,330
7. Mean Loss Reserve 2008: $1/2 [(4) + (5)]$	469,841
8. Ratio $(6) / (1)$	6.857
9. Ratio $(7) / (2)$	4.856
10. Average Ratio $1/2 [(8) + (9)]$	5.856
11. Loss reserve for American Home/National Union Group, selected	4.856
12. Estimated Reserve Discount	11.3%
13. Federal Taxes Payable (% of Reserves): $(12) \times .35$	0.040
14. $(11) \times [1.0 - (13)]$	4.664

ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## Medical Malpractice

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

<u>Year</u>	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2007	3,101,303	64,895,846	4.78%
2008	3,034,220	65,870,295	4.61%
Total	6,135,523	130,766,141	4.69%

<u>Year</u>	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
1999-2008	1,413,815	418,605,174	0.34%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)

5.03%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 for the American Home/National Union Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	4.69%	0.081
Net Realized Capital Gains (or Losses)	0.34%	0.350
Total	5.03%	0.099

1.000 - Federal Income Tax Rate

0.901



ESTIMATED INVESTMENT EARNINGS ON UNEARNED  
PREMIUM RESERVES AND ON LOSS RESERVES  
(Explanatory Notes)

## Medical Malpractice

Line H (continued)

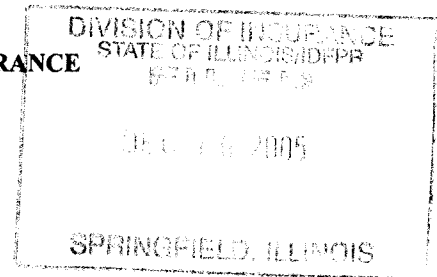
	Investment <u>Income Earned</u>	Federal Income <u>Tax Rate</u>
<u>Bonds</u>		
Taxable	\$ 263,160	0.350
<u>Non-Taxable</u>	<u>1,581,483</u>	<u>0.026</u>
Total	\$ 1,844,643	(A) 0.072
<u>Stocks</u>		
Taxable	\$ 130,203	0.123
<u>Non-Taxable</u>	<u>788,092</u>	<u>---</u>
Total	\$ 918,295	(B) 0.017
<u>Mortgage Loans and Real Estate</u>		
Mortgage Loans	\$ 0	
Real Estate	0	
Collateral Loans	0	
Cash on Deposit	0	
Short Term Investments	21,465	
<u>All Other</u>	<u>352,694</u>	
Sub-Total	\$ 374,159	0.350
Total	\$ 3,137,097	0.089
Investment Deductions	\$ 102,877	0.350
Net Investment Income Earned	\$ 3,034,220	0.081

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%.  $((.50 \times .15 \times .35) = .026)$

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12%  $((.30 \times .35) + (.50 \times .70 \times .15 \times .35) = .123)$ .

## **PREVIOUSLY FILED MANUAL PAGES**

**DENTAL PROFESSIONAL AND PREMISES LIABILITY INSURANCE  
CLAIMS MADE AND OCCURRENCE RATING RULES  
STATE OF ILLINOIS**



**1. COVERAGE**

Professional Liability on an occurrence and claims made basis.

**2. CLASS DESCRIPTION**

**Class 1** - General Dentist or Specialists in Orthodontic, Pediatric Dentistry, Periodontics Prosthodontics and Endodontics not performing minor or major surgery.\*

**Class 2** - Any Dentist performing implants involving osseointegration or minor surgical procedures.\* General dentists or Specialists other than Oral Surgeons or Dental Anesthesiologists allowing (hosting) unconscious sedation outside of a hospital, but only if the sedation is administered by an Oral Surgeon, Dental or Medical Anesthesiologist or CRNA.

**Class 3** - Specialists in Dental Anesthesiology or Oral Pathology.

**Class 4** - Specialists in Oral and Maxillofacial Surgery or any Dentist performing major surgical procedures not included in Class 5 (administration of general anesthetic intended to cause unconsciousness must be administered in a hospital).

**Class 5** - Specialist in Oral and Maxillofacial Surgery of any Dentist who administers, personally or by an employed/contracted anesthesiologist, any general anesthetic intended to cause unconsciousness if administered outside of a hospital setting, excluding "hosting" dentists under Class 2. Any Dentist performing major surgical procedures and procedures not otherwise classified.

\*Procedures do not include the administration of a general anesthetic intended to cause unconsciousness unless administered in a hospital.

**GENERAL RULES**

**3. PREMIUM BASE**

Both occurrence and claims made rates apply on a per dentist basis for professional liability.

**4. POLICY TERM**

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

**5. FORMS PORTFOLIO**

Refer to the forms portfolio for coverage forms, state amendatory and other special state endorsements.

**6. PREMIUM COMPUTATION**

- A. Compute the premium at inception using the rates in effect at that time. At each renewal, compute the premium using rates then in effect.
- B. Prorate the premium when policy is issued for other than one year.
- C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and greater rounds up; .49 and below rounds down) is done after the computation of the final premium.

- D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium.

**7. ADDITIONAL PREMIUM CHARGE**

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the change.
- C. Waive additional premium of \$15.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**8. RETURN PREMIUM CHARGES**

- A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rate used to calculate the policy premium.
- C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$15.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**9. POLICY CANCELLATION**

- A. Compute return premium pro rata when:
1. A policy is canceled at the Company's request.
  2. The Insured no longer has a financial or an insurable interest in the subject of insurance.
  3. A policy is canceled and rewritten in the same Company or Company Group.
  4. A policy is canceled due to death, disablement or retirement.
- B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one-year period.
- C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**10. LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his/her practice exposure.

**11. MINIMUM PREMIUM**

If policy premium does not exceed the minimum premiums as outlined in the Rate Sheet, the minimum premium will be charged for an annual period. The Minimum Premium is not applicable to the New Dentist Discount.

**12. TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or nonrenewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion or any other change in coverage less favorable to the Insured.

### **13. EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

- A. The available limits of liability shall not exceed those afforded under the current policy.
- B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.
- C. Extended Reporting Period premiums shall be calculated upon the expiring annual premium.
- D. The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.
- E. There will be no charge for Extended Reporting Period coverage if the Insured:
  - 1. Dies, or
  - 2. Totally and permanently:
    - a. Becomes disabled; or
    - b. Retires after age 55 and has been insured for 5 consecutive years in a National Society of Dental Practitioners' (NSDP) sponsored claims made program.
- F. The Extended Reporting Period shall be Unlimited.

## **COVERAGE RULES**

### **14. NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in year 1 through 3 of practice that meet the following criteria (see rate sheet):

Year 1 - The dentist has completed his or her training in dentistry within the previous six months of applying to the Redwoods Program, and his or her only contact with patients was in the course of training; or

Years 2 or 3 - The dentist who applies to the Redwoods Program is in his or her second or third year of post graduate practice.

### **15. PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The Part-Time discount is not applied to the Extended Reporting Period Endorsement unless the part-time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years with an NSDP sponsored program. See rate sheet.

#### **16. FACULTY DENTIST**

A Faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week  
Half Time -16 to 31 hours per week  
Part Time -15 hours or less per week

To qualify for this discount, the applicant must submit a copy of his/her current letter of faculty appointment. See rate sheet.

#### **17. WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements as indicated in endorsement 86029(6/04). This endorsement, and the accompanying premium modification, can not be added to a policy mid-term. See rate sheet.

#### **18. RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentists who participate in an approved risk management program. Approved risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous insurer. See rate sheet.

#### **19. CLAIM EXPERIENCE**

##### Claim Free Credit

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the preceding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses. See rate sheet.

##### Claim Experience Debit

Based on the claim history of an individual dentist over the preceding five-year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses. See rate sheet.

Debits will be adjusted each year, dependent upon annual review of claims experience.

#### **20. INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%. See rate sheet.

#### **21. POLICY CHANGE ENDORSEMENT**

The policy change endorsement 86043(6/04), will be used to correct errors or mistakes on the Declarations page.

#### **22. ADDITIONAL INSUREDS**

Use endorsement 86037(6/04) to add additional insureds to the policy. If the Additional Insured is a Dental Health Maintenance Organization (DHMO) or Preferred Provider Organization (PPO) there is no charge for this coverage. See rate sheet.

**23. BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and/or licensing as a dentist. See rate sheet.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed the length of time of the examination.

**24. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only. See rate sheet.

**25. LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum). Prior approval required by the Company.

**26. MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. Endorsement 86039(6/04) (claims made) or 86038(6/04) (occurrence) is to be used, as applicable, to suspend the policy coverage.

**27. DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and/or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence. See rate sheet.

JUL 16 2005

SPRINGFIELD, ILLINOIS

**RATES****1. PROFESSIONAL LIABILITY 1ST YEAR CLAIMS MADE BASE PREMIUMS**

<b>A. Limit of Liability</b>	<b>Base Premium</b>
\$100,000 each claim/\$300,000 aggregate	694

**B. Territory Relativity Factors**

<b>Territory</b>	<b>Relativity</b>
Terr 1 Cook County	1.000
Terr 2 DuPage, Lake and Kane Counties	0.550
Terr 3 Remainder of State	0.501

**2. CLASS PLAN RELATIVITY FACTORS**

<b>Class</b>	<b>Factor</b>
1	1.000
2	1.230
3	3.329
4	5.660
5	6.119

**3. POLICY TYPE FACTORS**

<b>A. Claims Made Year</b>	<b>Factor</b>
Year 1	1.00
Year 2	1.82
Year 3	2.45
Year 4	2.73
Year 5	3.03
<b>B. Occurrence</b>	3.33

**4. INCREASED LIMIT FACTORS**

<b>A. Increased Limit</b>	<b>Factor</b>
\$100,000/\$ 300,000	1.00
\$200,000/\$ 600,000	1.14
\$500,000/\$1,500,000	1.33
\$1,000,000/\$3,000,000	1.56
\$2,000,000/\$4,000,000	1.64
\$3,000,000/\$3,000,000	1.72
\$5,000,000/\$5,000,000	1.80



**5. MINIMUM PREMIUMS****A. Limit of Liability**

\$100,000/\$ 300,000	\$425
\$200,000/\$ 600,000	\$485
\$500,000/\$1,500,000	\$565
\$1,000,000/\$3,000,000	\$663
\$2,000,000/\$4,000,000	\$697
\$3,000,000/\$3,000,000	\$802
\$5,000,000/\$5,000,000	\$1,000

Minimum SPRINGFIELD, ILLINOIS

**6. EXTENDED REPORTING PERIOD FACTORS****A. Number of Years of Prior Acts****Factor to be Multiplied by the  
Mature Claims Made Premium**

1 Year	0.80
2 Year	1.20
3 Year	1.45
4 Year	1.60
5 OR MORE YEARS	1.80

**7. NEW DENTIST DISCOUNT FACTORS****A. Years in Practice****Factor**

First Year	0.50
Second or Third Year	0.75

**8. PART TIME DENTIST DISCOUNT FACTOR****A. Number of Hours in Practice****Factor**

20 hours or less per week	0.50
21 hours or more per week	1.00

**9. FACULTY DISCOUNT FACTORS****A. Appointment Status****Factor**

Full-Time	0.70
Half-Time	0.80
Part-Time	0.90
Zero-Time	1.00

**10. WAIVER OF CONSENT DISCOUNT FACTOR**

0.90

**11. RISK MANAGEMENT EDUCATION FACTOR**

0.90

DEC 16 2005

**12. CLAIM FREE CREDIT DISCOUNT FACTORS**

**A. Years**

10 + years claim free  
9 years claim free  
8 years claim free  
7 years claim free  
6 years claim free  
5 years claim free  
4 years claim free  
3 years claim free  
2 years claim free  
1 years claim free

**Factor**

0.90  
0.91  
0.92  
0.93  
0.94  
0.95  
0.96  
0.97  
0.98  
0.99

**13. CLAIMS EXPERIENCE DEBIT**

**A. TOTAL OF ALL CLAIMS AMOUNT**

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.05	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

**14. INDIVIDUAL RISK PREMIUM MODIFICATIONS**

	<b>Range of Modifications</b>	
	<u>Credits</u>	<u>Debits</u>
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%	25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%	25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%	25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondeat superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%	25%

Maximum Debit/Credit=25%

# DENTAL PROFESSIONAL LIABILITY

## 15. ADDITIONAL INSURED'S PREMIUM CHARGE FACTOR

10% Premium Charge

**Factor**  
1.10

## 16. BOARD EXAMINATION COVERAGE PREMIUM CHARGE

Premium Charge

\$20

## 17. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Premium Charge

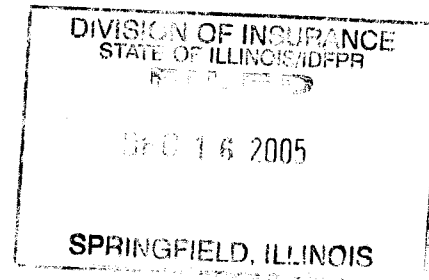
\$50

## 18. DISABILITY OR LEAVE OF ABSENCE

75% Premium Discount

**Factor**  
0.25

Rev. 12/05



**NATIONAL UNIONFIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
DENTAL PROFESSIONAL LIABILITY  
RATE PLAN  
ILLINOIS**

**1. PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS**

<b>A.</b>	<b>Limit of Liability</b>	<b><u>Current</u></b>	<b><u>Proposed</u></b>
	\$1,000,000 each claim/\$3,000,000 aggregate	\$3,280	\$1,534
<b>B.</b>	<b>Territory Relativity Factors</b>		
<b>Territory 1</b>		<b>Relativity</b>	<b>Relativity</b>
Cook		1.000	1.000
<b>Territory 2</b>			
Dupage		0.550	0.623
Kane			
Lake			
<b>Territory 3</b>			
Remainder Of State		0.501	0.623

**2. CLASS PLAN RELATIVITY FACTORS**

<b>Class</b>	<b>Factor</b>	<b>Factor</b>
1	1.000	1.000
2	1.230	1.250
3	3.329	1.500
4	5.660	2.770
5	6.119	8.000

**3. POLICY TYPE FACTORS**

<b>A.</b>	<b>Claims Made Year</b>	<b>Factor</b>	<b>Factor</b>
	Year 1	0.330	0.336
	Year 2	0.601	0.567
	Year 3	0.809	0.797
	Year 4	0.901	1.000
	Year 5	1.000	1.000
<b>B.</b>	<b>Occurrence</b>	1.099	1.100

**4. INCREASED LIMIT FACTORS**

<b>A.</b>	<b>Increased Limit</b>	<b>Factor</b>	<b>Factor</b>
	\$100,000/\$ 300,000	0.641	0.782
	\$200,000/\$ 600,000	0.731	0.890
	\$500,000/\$1,500,000	0.853	0.946
	\$1,000,000/\$3,000,000	1.000	1.000
	\$2,000,000/\$4,000,000	1.051	1.100
	\$2,000,000/\$6,000,000		1.150
	\$3,000,000/\$3,000,000	1.103	1.200
	\$3,000,000/\$6,000,000		1.250
	\$4,000,000/\$6,000,000		1.300
	\$5,000,000/\$5,000,000	1.154	1.325
	\$5,000,000/\$6,000,000		1.350

**5. MINIMUM PREMIUMS**

<b>A.</b>	<b>Limit of Liability</b>	<b>Minimum</b>	<b>Minimum</b>
	\$100,000/\$ 300,000	\$425	deleted
	\$200,000/\$ 600,000	\$485	deleted
	\$500,000/\$1,500,000	\$565	deleted
	\$1,000,000/\$3,000,000	\$663	deleted
	\$2,000,000/\$4,000,000	\$697	deleted

\$3,000,000/\$3,000,000  
\$5,000,000/\$5,000,000

\$802 deleted  
\$1,000 deleted

#### DEDUCTIBLES

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

The credit will be applied to the base rate i.e Manual Premium = (Base Rate x ILF)-(Base Rate X Deductible Credit)

DEDUCTIBLE	CREDIT
\$0	0.00
\$1,000	0.05
\$2,500	0.10
\$5,000	0.02
\$10,000	0.30

#### 6. EXTENDED REPORTING PERIOD FACTORS

A.	Number of Years of Prior Acts	Factor to be Multiplied by the Mature Claims Made Premium	
	1 Year	0.80	0.80
	2 Year	1.20	1.20
	3 Year	1.45	1.45
	4 Year	1.60	1.60
	5 OR MORE YEARS	1.80	1.80

#### 7. NEW DENTIST DISCOUNT FACTORS

A.	Years in Practice	Factor	Factor
	First Year	0.50	0.40
	Second or Third Year	0.75	0.60
	Third Year		0.80

#### 8. PART TIME DENTIST DISCOUNT FACTOR

A.	Number of Hours in Practice	Factor	Factor
	20 hours or less per week	0.50	0.50
	21 hours or more per week	1.00	1.00

#### 9. FACULTY DISCOUNT FACTORS

A.	Appointment Status	Factor	Factor
	Full-Time	0.70	0.70
	Half-Time	0.80	0.80
	Part-Time	0.90	0.90
	Zero-Time	1.00	1.00

#### 10. WAIVER OF CONSENT DISCOUNT FACTOR

0.90 0.90

#### 11. RISK MANAGEMENT EDUCATION FACTOR

0.90 0.90

#### 12. CLAIM FREE CREDIT DISCOUNT FACTORS

A.	Years	Factor	Factor
	10 + years claim free	0.90	0.90
	9 years claim free	0.91	0.91
	8 years claim free	0.92	0.92
	7 years claim free	0.93	0.93
	6 years claim free	0.94	0.94
	5 years claim free	0.95	0.95
	4 years claim free	0.96	0.96
	3 years claim free	0.97	0.97
	2 years claim free	0.98	0.98
	1 years claim free	0.99	0.99

#### 13. CLAIMS EXPERIENCE DEBIT

A.	TOTAL OF ALL CLAIMS AMOUNT	1 loss	2 losses	3 losses	4 losses	
	\$0 - \$3,000	1.05	1.10	1.15	1.20	*no change to claims experience debit
	\$3,001 - \$10,000	1.10	1.15	1.20	1.25	
	\$10,001 - \$20,000	1.15	1.20	1.25	1.30	
	\$20,001 - \$30,000	1.20	1.25	1.30	1.35	
	\$30,001 - \$40,000	1.25	1.30	1.35	1.40	
	\$40,001 +	1.30	1.35	1.40	1.50	

#### 14. INDIVIDUAL RISK PREMIUM MODIFICATIONS

	Range of Modifications		
	<u>Credits</u>	<u>Debits</u>	
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%	25%	*no change to IRPM
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%	25%	
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%	25%	
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%	25%	
Maximum Debit/Credit=25%			

#### 15. ADDITIONAL INSURED'S PREMIUM CHARGE FACTOR

10% Premium Charge	<b>Factor</b> 1.10	<b>Factor</b> 1.10
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#### 16. BOARD EXAMINATION COVERAGE PREMIUM CHARGE

Premium Charge For a Limit of Liability of \$1,000,000/\$5,000,000	<b>\$20</b>	<b>\$20</b>
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#### 17. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Premium Charge for a Limit of Liability of \$50,000 per occurrence/\$50,000 Aggregate	<b>\$50</b>	<b>\$50</b>
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#### 18. DISABILITY OR LEAVE OF ABSENCE

75% Premium Discount	<b>Factor</b> 0.25	<b>Factor</b> 0.25
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#### 19 ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dental education during their 3 year review period.  
Recent graduates have 5 years.

Fellowship Award Requirements - Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance).

Accepted activities for Fellowship credits are:

- Scientific Programs
- Postgraduate Education
- Federal Dental Service Specialty Rotation Programs
- Self-Instruction Programs
- Self-Improvement AGD approved courses

**Credit**  
10%

15%

## 20. ACADEMY OF GENERAL DENTISTRY MEMBERSHIP CONTINUED

Membership Award Requirements - Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines:

20%

Myofascial Pain Dysfunction / Occlusion  
Operative Dentistry  
Periodontics  
Fixed Prosthodontics  
Removable Prosthodontics  
Endodontics  
Oral & Maxillofacial Surgery  
Orthodontics  
Pediatric Dentistry  
Basic Sciences  
Oral Medicine / Oral Diagnosis  
Practice Management  
Electives  
Implants  
Special Patient Care  
Esthetics

## 21. AMERICAN DENTAL ASSOCIATION MEMBER CREDIT

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

## 22. GROUP DISCOUNTS

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	20%

## II. COVERAGE OPTIONS:

### A Dentist Liability Package Policy

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V and VI. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

### B Employment Practices Liability - increased limits

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees: The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

#### Limits of Liability\*

Employees	\$100,000	\$2,500,000	\$500,000	\$750,000
1 to 3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

### C ERISA Fiduciary Liability Coverage

Coverage is available as follows:

Limits of Liability	Premium
\$100,000/\$100,000	\$130

### D Organization / Entity Coverage

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

### E Billing Errors & Omissions Coverage

Coverage is available as follows:

Limits of Liability	Premium
\$25,000	\$100

**Neuman, Gayle**

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**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Tuesday, February 23, 2010 8:36 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

We would like an effective date of 2/22/2010. Thank you.

Myron Harry

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, February 23, 2010 8:32 AM  
**To:** Harry, Myron  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Myron,

The RF-3 has an effective date of 2/22/2010. The requested effective date given when the filing was received was September 14, 2009. Which date do you choose to have? That date should be reflected on the RF-3 Summary Sheet. Please advise.

Gayle Neuman  
Department of Insurance

---

**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Monday, February 22, 2010 5:22 PM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

In response to your email dated February 18, 2010, attached please find a required RF-3 Summary Sheet for the Dentists Liability Program. Please let us know if we can be of any further assistance.

Myron Harry

---

2/23/2010



Change in Company's premium or rate level produced by rate revision effective

2/22/2010

(1)	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
<u>Coverage</u>		
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$144,707	-47%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <i>medical malpractice</i>		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify  
 All Territories

Brief description of filing. (If filing follows rates of an advisory organization, specify organization)  
 See explanatory memorandum for Dental Professional Liability program

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which will  
 result from application of new rates.

**RECEIVED**

FEB 22 2010

STATE OF ILLINOIS  
 DEPARTMENT OF INSURANCE  
 SPRINGFIELD, ILLINOIS

National Union Fire Insurance Company of Pittsburgh, Pa.  
 Name of Company

Adam C. Reed - Assistant Vice President  
 Official - Title

**Neuman, Gayle**

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**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Monday, February 22, 2010 5:22 PM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10  
**Attachments:** IL - RF-3 Summary Sheet 2-22-10.pdf

Ms. Neuman,

In response to your email dated February 18, 2010, attached please find a required RF-3 Summary Sheet for the Dentists Liability Program. Please let us know if we can be of any further assistance.

Myron Harry

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Thursday, February 18, 2010 2:32 PM  
**To:** Harry, Myron  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

The impact of the rate/rule change(s) is to be evaluated based on Illinois business alone. Therefore, National Union Fire will need to submit the required RF-3 Summary Sheet and possibly update the actuarial exhibits provided. I request your immediate attention to this issue.

Gayle Neuman  
 Department of Insurance

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**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Thursday, February 18, 2010 10:14 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

Again, we apologize for the delay in responding to your comment. In response to your email dated February 8, 2010, we offer the following:

As noted in the explanatory memorandum, the filing proposes to combine Nation Union Fire Insurance Company's current book of business with the recently acquired Dentist Advantage book of business. The impact of the proposed rate plan on the existing countrywide book of business was estimated to be revenue neutral overall. However, if the impact is evaluated on Illinois insureds alone, the overall rate impact of the filing has been calculated to be an overall rate reduction of -46.78% (without considering the impact of schedule rating). The rate decrease will be implemented upon the renewal of the policies. Below is the calculation of the current and proposed base rates.

current rate = Base rate \* Mature CM Factor \* Increased limit Factor(1M/3M) = 694 \* 3.03 \* 1.56 = 3,279  
 proposed rate = 1,534

Please let us know if we can be of any further assistance.

Myron Harry

---

2/23/2010

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, February 16, 2010 11:37 AM  
**To:** Harry, Myron  
**Subject:** FW: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

Please forward your response to the attached e-mail by no later than February 17, 2010.

Gayle Neuman

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**From:** Neuman, Gayle  
**Sent:** Monday, February 08, 2010 3:28 PM  
**To:** 'Harry, Myron'  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

The previous base premium was \$694 for 1<sup>st</sup> year claims made with \$100/\$300 limits.  
The current base premium is \$1,534 for mature claims made with \$1M/\$3M limits.

Can you provide the calculations to show the premium is the same using the factors?

Gayle Neuman  
Department of Insurance

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**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Friday, February 05, 2010 3:49 PM  
**To:** Neuman, Gayle  
**Subject:** FW: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

In response to your email request dated 2/03/2010, we confirm that our prior rates (Rev. 12 05) were filed as part of filing AIC-05-EO-06 and approved as of 3/05/2007 by your Department. Attached please find the RF-3 Summary Sheet that was provided with our present filing (AIC-08-EO-10) which reflects that this is rate neutral filing. Please note that the basic limit showed on the rate page has been changed from the claims made year one 100,000/300,000 limit rate to the mature claims made 1,000,000/3,000,000 limit rate.

We hope this information is helpful.

Myron Harry

---

**From:** Harry, Myron  
**Sent:** Wednesday, February 03, 2010 4:54 PM  
**To:** 'Neuman, Gayle'  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

This email will confirm our telephone conversation of today wherein your office has granted us an extension to Tuesday, February 9, 2010 to respond to your comment email. Thank you.

Myron

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

2/23/2010

**Sent:** Wednesday, February 03, 2010 12:02 PM

**To:** Harry, Myron

**Subject:** National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

I have reviewed the previous filing effective December 16, 2005. It appears there has been a rate change, however nothing was disclosed with the filing submission. I request receipt of your response along with a RF-3 Summary Sheet if appropriate.

I request your response by no later than February 5, 2010.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [GAYLE.NEUMAN@ILLINOIS.GOV](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).

2/23/2010

**Neuman, Gayle**

---

**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Thursday, February 18, 2010 9:41 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

Per my voice message, we apologize for not responding by 2/17. We are working on a response and would forward to you later today. Thank you for your patience.

Myron Harry

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, February 16, 2010 11:37 AM  
**To:** Harry, Myron  
**Subject:** FW: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

Please forward your response to the attached e-mail by no later than February 17, 2010.

Gayle Neuman

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**From:** Neuman, Gayle  
**Sent:** Monday, February 08, 2010 3:28 PM  
**To:** 'Harry, Myron'  
**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

The previous base premium was \$694 for 1<sup>st</sup> year claims made with \$100/\$300 limits.  
The current base premium is \$1,534 for mature claims made with \$1M/\$3M limits.

Can you provide the calculations to show the premium is the same using the factors?

Gayle Neuman  
Department of Insurance

---

**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Friday, February 05, 2010 3:49 PM  
**To:** Neuman, Gayle  
**Subject:** FW: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

In response to your email request dated 2/03/2010, we confirm that our prior rates (Rev. 12 05) were filed as part of filing AIC-05-EO-06 and approved as of 3/05/2007 by your Department. Attached please find the RF-3 Summary Sheet that was provided with our present filing (AIC-08-EO-10) which reflects that this is rate neutral filing. Please note that the basic limit showed on the rate page has been changed from the claims made year one 100,000/300,000 limit rate to the mature claims made 1,000,000/3,000,000 limit rate.

2/18/2010

We hope this information is helpful.

Myron Harry

---

**From:** Harry, Myron

**Sent:** Wednesday, February 03, 2010 4:54 PM

**To:** 'Neuman, Gayle'

**Subject:** RE: National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Neuman,

This email will confirm our telephone conversation of today wherein your office has granted us an extension to Tuesday, February 9, 2010 to respond to your comment email. Thank you.

Myron

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

**Sent:** Wednesday, February 03, 2010 12:02 PM

**To:** Harry, Myron

**Subject:** National Union Fire of Pittsburgh, PA - Filing #AIC-08-EO-10

Ms. Harry,

I have reviewed the previous filing effective December 16, 2005. It appears there has been a rate change, however nothing was disclosed with the filing submission. I request receipt of your response along with a RF-3 Summary Sheet if appropriate.

I request your response by no later than February 5, 2010.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://www.insurance.illinois.gov).

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2/18/2010

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective

2/8/2010

(1)	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
<u>Coverage</u>		
1. Automobile Liabilit		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$144,707	Revenue Nuetral
4. Burglary and Thef		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify

All Territories

Brief description of filing. (If filing follows rates of an advisory organization, specify organization)

See explanatory memorandum for Dental Professional Liability program

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which wil  
result from application of new rates.

National Union Fire Insurance Company of Pittsburgh, Pa.

Name of Company

Adam C. Reed - Vice President

Official-Title

**Neuman, Gayle**

---

**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Thursday, January 21, 2010 2:10 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Dentists Liability Program - AIC-08-EO-10 Illinois  
**Attachments:** IL Rating Rules2 - 12-09.pdf; IL Rate Plan2 - 12-09.pdf

Ms. Neuman,

Attached please find final copies of the Dental Professional Liability Program Rating Rules and Rate Plan. Please be advised that the side by side comparison worksheet on the previous attachment was send to you in error.

Please let us know if we can be of any further assistance.

Myron Harry

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, January 20, 2010 2:53 PM  
**To:** Harry, Myron  
**Subject:** FW: Dentists Liability Program - AIC-08-EO-10 Illinois

Your immediate attention is required.

---

**From:** Neuman, Gayle  
**Sent:** Friday, January 15, 2010 10:57 AM  
**To:** 'Harry, Myron'  
**Subject:** RE: Dentists Liability Program - AIC-08-EO-10 Illinois

M. Harry,

Please forward a final print of pages 6, 7, 8 and 9 of the 12-09 edition (without the changes being shown) for filing. Your immediate attention is appreciated.

Gayle Neuman  
 Department of Insurance

---

**From:** Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]  
**Sent:** Friday, January 15, 2010 10:22 AM  
**To:** Neuman, Gayle  
**Cc:** Deveaux, Andre M  
**Subject:** Dentists Liability Program - AIC-08-EO-10 Illinois

Ms. Newman,

In response to your comment email dated January 8, 2010, we offer the following:

1. Attached are the Illinois Rating Rules wherein changes made to II.C and D and addition of J have been highlighted.
2. Please note that we do not write the GL coverage on a claims-made basis so an ERP would not be applicable.

1/21/2010



Please let us know if we can be of any further assistance.

**Myron Harry**

Filings Analyst

Chartis

State Filings Division

175 Water Street, 17<sup>th</sup> Floor

( (212) 458-7057 / 2 (212) 458-7077

<mailto:myron.harry@chartisinsurance.com>

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]

**Sent:** Friday, January 08, 2010 10:50 AM

**To:** Myers, Monique

**Subject:** RE: Dentist Liability Filing - AIC-08-EO-10 - Illinois Comments

---

**Neuman, Gayle**


---

**From:** Harry, Myron [Myron.Harry@chartisinsurance.com]  
**Sent:** Friday, January 15, 2010 10:22 AM  
**To:** Neuman, Gayle  
**Cc:** Deveaux, Andre M  
**Subject:** Dentists Liability Program - AIC-08-EO-10 Illinois  
**Attachments:** Illinois Rates-Rules-12-09 Highlighted Changes .pdf

Ms. Newman,

In response to your comment email dated January 8, 2010, we offer the following:

1. Attached are the Illinois Rating Rules wherein changes made to II.C and D and addition of J have been highlighted.
2. Please note that we do not write the GL coverage on a claims-made basis so an ERP would not be applicable.

Please let us know if we can be of any further assistance.

**Myron Harry**

Filings Analyst  
 Chartis  
 State Filings Division  
 175 Water Street, 17<sup>th</sup> Floor  
 ( (212) 458-7057 / 2 (212) 458-7077  
<mailto:myron.harry@chartisinsurance.com>

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**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Friday, January 08, 2010 10:50 AM  
**To:** Myers, Monique  
**Subject:** RE: Dentist Liability Filing - AIC-08-EO-10 - Illinois Comments

---

Ms. Myers,

Could you please highlight the changes that were made to the manual to address the extended reporting period issues? The only changes I could see were paragraph C and the addition of paragraph J. to II. General Rules. Did you address the issue of the extended reporting period also providing coverage for general liability? Your prompt attention is appreciated.

Gayle Neuman  
 Department of Insurance

---

**From:** Myers, Monique [<mailto:Monique.Myers@aig.com>]

1/15/2010

**Sent:** Tuesday, December 29, 2009 8:45 AM  
**To:** Neuman, Gayle  
**Cc:** Harry, Myron  
**Subject:** RE: Dentist Liability Filing - AIC-08-EO-10 - Illinois Comments

Good Morning Ms. Neuman,

In response to the email below, please review the following as a valid response:

1. ISO is the statistical reporting agency.
2. Yes. Please see Rule II. 7. Location of Practice which sets forth that "we will charge the rate of the state or territory in which the dentists has a majority of his/her practice."
3. The IRMP for loss control in Rule #14 is for Loss Control Procedures within the practice itself. Rule #11 Risk Management Education Factor is for continuing education. If the insured can prove that he/she participated in an approved risk management program they will be credited 10%.
4. Please see the attached revised Illinois Rating Rules Ed. 12/09 wherein we believe we have addressed all the state's concerns.
5. No it is a flat 10%.

Please let me know if you require any additional information.

*Thank You,*  
*Monique M. Myers*  
*Direct: (212) 458-6346*

---

Ms. Harris,

I am in receipt of the above referenced filing submitted with your letter dated August 12, 2009. The filing was received by the Department of Insurance on September 9, 2009.

The following information/documentation is required for further review of this filing:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. Please indicate if National Union Fire has any regulations for dentists operating in multiple territories.
3. Please explain how 11. Risk Management Education Factor varies from the scheduled rating plan factor.
4. The rate/rule manual must indicate that the extended reporting period (tail coverage) premium is priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. Additionally, it should list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. The company must inform the insured of the extended reporting period premium at the time the last policy is purchased. The company may not wait until the insured requests purchase of the extended reporting period coverage to tell the insured what the premium will be or how the premium will be calculated. Additionally, the manual should reference if the tail is for 12 months, unlimited, etc. A policy (if written on a claims-made basis) would provide both professional liability and general liability, the policy must provide other requirements. The insured must be allowed 60 days after the end of the policy period to purchase the e.r.p. The insured must be offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated

1/15/2010

(100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy). After the e.r.p. is paid, it may not be cancelled for any reason. This information must be disclosed in the manual.

5. Under the scheduled rating section, is "10%" actually a range of "0 to 10%"?

Your prompt attention is appreciated.

*Gayle Neuman*

Illinois Department of Insurance  
Property & Casualty Compliance  
(217) 524-6497

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**Claim Free Credit:**

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

**Claim Experience Debit:**

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSUREDS**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period.

"Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence.

**15 QUARTERLY INSTALLMENT PLAN**

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
---------------	-----

Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%

approval.

A. The available limits of liability shall not exceed those afforded under the current policy.

B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.

D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.

E. There will be no charge for Extended Reporting Period coverage if the Insured:

- 1 Dies, or
- 2 Becomes totally and permanently disabled  
Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.
- 3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years. If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

F. The Extended Reporting Period shall be Unlimited.

G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.

I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

### III. COVERAGE RULES

#### 1 NEW DENTIST DISCOUNT

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

#### 2 PART TIME DENTIST

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

#### 3 FACULTY DENTIST

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week  
Half Time - 16 to 31 hours per week  
Part Time - 15 hours or less per week

#### 4 WAIVER OF CONSENT

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

- B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.
- C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect during the policy period immediately proceeding the election to purchase such coverage.
- D. The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.
- E. There will be no charge for Extended Reporting Period coverage if the Insured:
- 1 Dies, or
  - 2 Becomes totally and permanently disabled  
Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.
  - 3 Fully retires at age 50 or more and has been insured under an AIG Company for at least 5 years.  
If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.
- F. The Extended Reporting Period shall be Unlimited.
- G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.
- H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.
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Part Time - 15 hours or less per week

#### 4 WAIVER OF CONSENT

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

#### 5 RISK MANAGEMENT EDUCATION

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

#### 6 CLAIM EXPERIENCE



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATE PLAN**  
**ILLINOIS**

**1. PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS**

A.	Limit of Liability	Base Premium
	\$100,000 each claim/\$300,000 aggregate	
	\$1,000,000 each claim/\$3,000,000 aggregate	
B.	Territory Relativity Factors	
Territory 1	Relativity	
Cook		\$1,534
Territory 2		
Dupage		\$956
Kane		
Lake		
Territory 3		
Remainder Of State		\$956

**2. CLASS PLAN RELATIVITY FACTORS**

Class	Factor	
1	1.000	1.000
2	1.230	1.250
3	3.329	1.500
4	5.660	2.770
5	6.119	8.000
Add Class Descriptions		

**3. POLICY TYPE FACTORS**

A.	Claims Made Year	Factor
	Year 1	1.00 0.336
	Year 2	1.82 0.567
	Year 3	2.45 0.797
	Year 4	2.73 1.00
	Year 5	3.03 1.00
B.	Occurrence	
		3.33 1.10

**4. INCREASED LIMIT FACTORS**

A.	Increased Limit	Factor
	\$100,000/\$ 300,000	1.00 0.644 0.782
	\$200,000/\$ 600,000	1.14 0.731 0.890
	\$250,000/\$750,000 (AVAILABLE IN INDIANA ONLY)	<del>0.804</del> 0.900
	\$500,000/\$1,500,000	1.33 <del>0.853</del> 0.946
	\$1,000,000/\$3,000,000	1.56 1.000 1.000
	\$1,300,000/\$3,900,000 (AVAILABLE IN NEW YORK ONLY)	<del>1.026</del> 1.026
	\$2,000,000/\$4,000,000	1.64 <del>1.051</del> 1.100
	\$2,000,000/\$6,000,000	<del>1.062</del> 1.150
	\$3,000,000/\$3,000,000	1.72 1.103 1.200
	\$3,000,000/\$6,000,000	<del>1.122</del> 1.250
	\$4,000,000/\$6,000,000	<del>1.136</del> 1.300
	\$5,000,000/\$5,000,000	<del>1.154</del> 1.325
	\$5,000,000/\$6,000,000	<del>1.186</del> 1.350

**5. MINIMUM PREMIUMS**

A.	Limit of Liability	Minimum
	\$100,000/\$ 300,000	\$425 X
	\$200,000/\$ 600,000	\$485 X
	\$500,000/\$1,500,000	\$565 X

\$1,000,000/\$3,000,000  
 \$2,000,000/\$4,000,000  
 \$3,000,000/\$5,000,000  
 \$5,000,000/\$10,000,000

\$663 X  
 \$697 X  
 \$802 X  
 \$1,000 X

Add Deductibles Here and proper calculation

#### 6. EXTENDED REPORTING PERIOD FACTORS

##### A. Number of Years of Prior Acts

1 Year	0.80
2 Year	1.20
3 Year	1.45
4 Year	1.60
5 OR MORE YEARS	1.80

##### Factor to be Multiplied by the Mature Claims Made Premium

#### 7. NEW DENTIST DISCOUNT FACTORS

##### A. Years in Practice

First Year	0.50	0.40
Second or Third Year (delete 3rd year)	0.75	0.60
Third Year		0.80

#### 8. PART TIME DENTIST DISCOUNT FACTOR

##### A. Number of Hours in Practice

20 hours or less per week	0.50
21 hours or more per week	1.00

#### 9. FACULTY DISCOUNT FACTORS

##### A. Appointment Status

Full-Time	0.70
Half-Time	0.80
Part-Time	0.90
Zero-Time	1.00

#### 10. WAIVER OF CONSENT DISCOUNT FACTOR

0.90

#### 11. RISK MANAGEMENT EDUCATION FACTOR

0.90

#### 12. CLAIM FREE CREDIT DISCOUNT FACTORS

##### A. Years

10 + years claim free	0.90
9 years claim free	0.91
8 years claim free	0.92
7 years claim free	0.93
6 years claim free	0.94
5 years claim free	0.95
4 years claim free	0.96
3 years claim free	0.97
2 years claim free	0.98
1 years claim free	0.99

#### 13. CLAIMS EXPERIENCE DEBIT

##### A. TOTAL OF ALL CLAIMS AMOUNT

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.05	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

#### 14. INDIVIDUAL RISK PREMIUM MODIFICATIONS

	Range of Modifications	
	<u>Credits</u>	<u>Debits</u>
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%	25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%	25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%	25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%	25%
Maximum Debit/Credit=25%		

#### 15. ADDITIONAL INSURED'S PREMIUM CHARGE FACTOR

10% Premium Charge	<b>Factor</b> 1.10
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#### 16. BOARD EXAMINATION COVERAGE PREMIUM CHARGE

Premium Charge For a Limit of Liability of \$1,000,000/\$500,000	<b>\$20</b>
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#### 17. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Premium Charge for a Limit of Liability of \$50,000 per occurrence/\$50,000 Aggregate	<b>\$50</b>
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#### 18. DISABILITY OR LEAVE OF ABSENCE

75% Premium Discount	<b>Factor</b> 0.25
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#### 19. DEDUCTIBLE MOVE TO 5; CORRECT CALCULATION

The following deductibles may be offered on a per occurrence basis only for Professional Liability coverage and will only apply to indemnity payments.

A.	DEDUCTIBLE AMOUNT	CREDIT FACTOR
	\$0	1.00
	\$1,000	0.95
	\$2,500	0.90
	\$5,000	0.81
	\$10,000	0.70

#### 20. ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dental education during their 3 year review period. Recent graduates have 5 years.	Credit	10%
Fellowship Award Requirements - Fellowship requires 5 continuous years (50 consecutive months) of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses		15%

## 20. ACADEMY OF GENERAL DENTISTRY MEMBERSHIP CONTINUED

Membership Award Requirements - Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines: Myofascial Pain Dysfunction / Occlusion Operative Dentistry Periodontics Fixed Prosthodontics Removable Prosthodontics Endodontics Oral & Maxillofacial Surgery Orthodontics Pediatric Dentistry Basic Sciences Oral Medicine / Oral Diagnosis Practice Management Electives Implants Special Patient Care Esthetics		20%
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## 21. AMERICAN DENTAL ASSOCIATION MEMBER CREDIT

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

## 22. GROUP DISCOUNTS

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	Refer to Home Office

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATING RULES**  
**ILLINOIS**

**I. COVERAGES AVAILABLE:**

**Option I. Dental Professional Liability (Monoline Professional Liability)**  
Mandatory minimum coverage

Coverage Type  
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000

**Option II. Dental Professional Package:**

The following coverages are available:

<u>Coverage:</u>	<u>Coverage Type</u>
I. Dentists Professional Liability	Claims - Made or Occurrence
II. Dentists General Liability	Occurrence
a. Premises, Products / Completed Operations	
b. Medical Payments - \$10,000 / \$10,000	
III. Non-owned & Hired Auto Liability	Occurrence
IV. Employee Benefits Administration Liability	Occurrence
V. Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI. Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII. Billing Errors & Omissions - \$2500/\$2500	Claims - Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VII Billing Errors & Omissions
A.	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
B.	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
C.	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
D.	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
E.	\$2,000,000 / \$4,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
F.	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
G.	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
H.	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
I.	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
J.	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
K.	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may ne increased to \$25,000 for an additional payment of \$10

**II. GENERAL RULES**

- 1 PREMIUM BASE**  
Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability
- 2 POLICY TERM**  
Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

**WITHDRAWN**

**JAN 21 2010**

**STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS**

**3 PREMIUM COMPUTATION**

- A. Compute the premium using the rates in effect at the time of policy issuance.
- B. Pro-rate the premium when policy is issued for other than one year.
- C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.
- D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

**4 ADDITIONAL PREMIUM CHARGES**

- A. Pro-rate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the change.
- C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**5 RETURN PREMIUM CHARGES**

- A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rate used to calculate the policy premium.
- C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**6 POLICY CANCELLATION**

- A. Compute return premium pro rata when:
  - 1 A policy is canceled at the Company's request.
  - 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
  - 3 A policy is canceled and rewritten in the same Company or Company Group.
  - 4 A policy is canceled due to death, disability or retirement.
- B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.
- C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**7 LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

**8 MAXIMUM CREDITS ALLOWABLE**

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, and claims made step factors.

**9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

**10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting

approval.

A. The available limits of liability shall not exceed those afforded under the current policy.

B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.

D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.

E. There will be no charge for Extended Reporting Period coverage if the Insured:

1 Dies, or

2 Becomes totally and permanently disabled

Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.

3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years. If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

F. The Extended Reporting Period shall be Unlimited.

G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.

I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

### III. COVERAGE RULES

#### 1 NEW DENTIST DISCOUNT

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

#### 2 PART TIME DENTIST

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

#### 3 FACULTY DENTIST

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week

Half Time - 16 to 31 hours per week

Part Time - 15 hours or less per week

#### 4 WAIVER OF CONSENT

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

**5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

**6 CLAIM EXPERIENCE**

**Claim Free Credit:**

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

**Claim Experience Debit:**

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MOD IFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEME NT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSUREDS**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence.

**15 QUARTERLY INSTALLMENT PLAN**

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment.



There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
DENTAL PROFESSIONAL LIABILITY  
RATE PLAN  
ILLINOIS**

**1. PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS**

Limit of Liability	Base Premium
\$1,000,000 each claim / \$3,000,000 aggregate	
Territory 1: Cook County	\$1,534
Territory 2: Remainder of State	\$956

**2. A. CLASS PLAN RELATIVITY FACTORS**

Class	Factor
1	1.000
2	1.250
3	1.500
4	2.770
5	8.000

**B. CLASS PLAN DESCRIPTIONS**

**Class 1 DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**

Specialists:

Endodontist  
Orthodontist (simple extractions up to 25% of procedures)  
Public Health Dentist  
Periodontist (surgical placement of implants up to 25% of procedures)  
Prosthodontist (surgical placement of implants up to 25% of procedures)  
Pediatric Dentist  
Oral Pathologist

General Dentists performing the following procedures:

Diagnostic  
Preventative  
Restorative  
Non-surgical TMJ treatments – mouth guards and splints  
Cosmetic whitening, veneers  
Restorative Implants up to 15% of practice (based on number of procedures)  
Endodontia – up to 25% of practice (based on number of procedures)  
Prosthodontia – up to 25% of practice (based on number of procedures)  
Periodontia – up to 25% of practice (based on number of procedures) excluding surgical implants  
Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)

This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.

**Class 2 DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

Applies to all General Dentists:

With greater than 25% of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (simple extractions only, no extractions of full or partial bony impacted teeth).

For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.

**Class 3 DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

Applies to all Specialists (except Oral Surgeons) and General Dentists:

Extractions of full or partial bony impacted teeth

Applies to all General Dentists:

Implant restorations that exceed 15% of the total practice or any % of surgical implants

This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will

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SPRINGFIELD, ILLINOIS**

be rated under this classification.

**Class 4 ANESTHESIA CLASS**

Anesthesia:

I.V. Conscious Sedation  
I.M. Conscious Sedation  
Sub-cutaneous Conscious sedation

Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.

**Class 5 ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS**

Anesthesia:

In-Office Includes General Anesthesia

This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under deep sedation to an unconscious state, deep sedation, or general anesthesia in their office. Proof of their education, training and/or license/permit would need to be secured prior to proceeding.

**3. POLICY TYPE FACTORS**

A. Claims Made Year	Factor
Year 1	0.336
Year 2	0.567
Year 3	0.797
Year 4	1.000
Year 5	1.000
B. Occurrence	1.100

**4. INCREASED LIMIT FACTORS**

Increased Limit	Factor
\$100,000 / \$300,000	0.782
\$200,000 / \$600,000	0.890
\$500,000 / \$1,500,000	0.946
\$1,000,000 / \$3,000,000	1.000
\$2,000,000 / \$4,000,000	1.100
\$2,000,000 / \$6,000,000	1.150
\$3,000,000 / \$3,000,000	1.200
\$3,000,000 / \$6,000,000	1.250
\$4,000,000 / \$6,000,000	1.300
\$5,000,000 / \$5,000,000	1.325
\$5,000,000 / \$6,000,000	1.350

**5 DEDUCTIBLES**

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

The credit will be applied to the base rate, i.e., Manual Premium = [(Base Rate x ILF) - (Base Rate X Deductible Credit)]

DEDUCTIBLE	CREDIT
\$0	0.00
\$1,000	0.05
\$2,500	0.10
\$5,000	0.19
\$10,000	0.30

**6 EXTENDED REPORTING PERIOD FACTORS**

Number of Years of Prior Acts	Factor to be Multiplied by the Mature Claims Made Premium
1 Year	0.80
2 Year	1.20
3 Year	1.45
4 Year	1.60
5 OR MORE YEARS	1.80

**7 NEW DENTIST DISCOUNT FACTORS**

Years in Practice	Factor
First Year	0.40

	Second	0.60
	Third Year	0.80
<b>8</b>	<b>PART TIME DENTIST DISCOUNT FACTOR</b>	
	<b>Number of Hours in Practice</b>	<b>Factor</b>
	20 hours or less per week	0.50
	21 hours or more per week	1.00
<b>9</b>	<b>FACULTY DISCOUNT FACTORS</b>	
	<b>Appointment Status</b>	<b>Factor</b>
	Full-Time	0.70
	Half-Time	0.80
	Part-Time	0.90
	Zero-Time	1.00
<b>10</b>	<b>WAIVER OF CONSENT DISCOUNT FACTOR</b>	0.90
<b>11</b>	<b>RISK MANAGEMENT EDUCATION FACTOR</b>	0.90
<b>12</b>	<b>CLAIM FREE CREDIT DISCOUNT FACTORS</b>	
	<b>Years</b>	<b>Factor</b>
	10 + years claim free	0.90
	9 years claim free	0.91
	8 years claim free	0.92
	7 years claim free	0.93
	6 years claim free	0.94
	5 years claim free	0.95
	4 years claim free	0.96
	3 years claim free	0.97
	2 years claim free	0.98
	1 years claim free	0.99
<b>13</b>	<b>CLAIMS EXPERIENCE DEBIT</b>	
	<b>TOTAL OF ALL CLAIMS AMOUNT</b>	
		<b>1 loss</b> <b>2 losses</b> <b>3 losses</b> <b>4 losses</b>
	\$0 - \$3,000	1.05   1.10   1.15   1.20
	\$3,001 - \$10,000	1.10   1.15   1.20   1.25
	\$10,001 - \$20,000	1.15   1.20   1.25   1.30
	\$20,001 - \$30,000	1.20   1.25   1.30   1.35
	\$30,001 - \$40,000	1.25   1.30   1.35   1.40
	\$40,001 +	1.30   1.35   1.40   1.50
<b>14</b>	<b>INDIVIDUAL RISK PREMIUM MODIFICATIONS</b>	
		<b>Range of Modifications</b>
		<b>Credits</b> <b>Debits</b>
	Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%   25%
	Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%   25%
	Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%   25%
	Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%   25%
	Maximum Debit/Credit=25%	
<b>15</b>	<b>ADDITIONAL INSURED PREMIUM CHARGE FACTOR</b>	

	10% Premium Charge	<b>Factor</b> 1.10
<b>16</b>	<b>BOARD EXAMINATION COVERAGE PREMIUM CHARGE</b>	
	Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$1,000,000 aggregate	\$20
<b>17</b>	<b>MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE</b>	
	Premium Charge for a Limit of Liability of \$50,000 per occurrence / \$50,000 aggregate	\$50
<b>18</b>	<b>DISABILITY OR LEAVE OF ABSENCE</b>	<b>Factor</b> 0.25
<b>19</b>	<b>ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)</b>	
	Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.	
	Application Requirements:	
	Membership Maintenance - Members must earn 75 hours of continuing dent during their 3 year review period. Recent graduates have 5 years to complete.	<b>Credit</b> 10%
	Fellowship Award Requirements - Fellowship requires 5 continuous years ( months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses	15%
<b>20.</b>	<b>ACADEMY OF GENERAL DENTISTRY MEMBERSHIP CONTINUED</b>	
	Membership Award Requirements - Mastership requires Fellowship status i completion of 600 credit hours of approved continuing education in each of 16 separate disciplines: Myofascial Pain Dysfunction / Occlusion Operative Dentistry Periodontics Fixed Prosthodontics Removable Prosthodontics Endodontics Oral & Maxillofacial Surgery Orthodontics Pediatric Dentistry Basic Sciences Oral Medicine / Oral Diagnosis Practice Management Electives Implants Special Patient Care Esthetics	20%
<b>21.</b>	<b>AMERICAN DENTAL ASSOCIATION MEMBER CREDIT</b>	
	A credit of 5% will be applied to each dentist who is a member of the American Dental Association.	
<b>22.</b>	<b>GROUP DISCOUNTS</b>	
	A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:	
	Group Size	Premium Credit
	2 - 5 Dentists	5%
	6 - 10 Dentists	10%
	11 - 25 Dentists	15%
	> 25 Dentists	20%

## II. COVERAGE OPTIONS:

### A Dentist Liability Package Policy

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V, VI and VII. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

**B Employment Practices Liability - increased limits**

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees: The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

Number of Employees*	Limits of Liability*			
	\$100,000 / \$100,000	\$250,000 / \$250,000	\$500,000 / \$500,000	\$750,000 / \$750,000
1-3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

\*A mandatory deductible of \$2,500 applies to the above coverage

\*\*10 or more employees - please refer to Company

**C ERISA Fiduciary Liability Coverage**

Coverage is available as follows:

Limit of Liability	Premium
\$100,000 / \$100,000	\$130

**D Organization / Entity Coverage**

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

**E Billing Errors & Omissions Coverage**

Coverage is available as follows:

Limits of Liability	Premium
\$25,000	\$100

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
DENTAL PROFESSIONAL LIABILITY  
RATE PLAN  
ILLINOIS**

**1. PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS**

Limit of Liability	Base Premium
\$1,000,000 each claim / \$3,000,000 aggregate	
Territory 1: Cook County	\$1,534
Territory 2: Remainder of State	\$956

**2. A. CLASS PLAN RELATIVITY FACTORS**

Class	Factor
1	1.000
2	1.250
3	1.500
4	2.770
5	8.000

**B. CLASS PLAN DESCRIPTIONS**

**Class 1 DENTAL CLASS I - NON-INVASIVE OR MINIMALLY INVASIVE PROCEDURES AND SELECT SPECIALTIES**

**Specialists:**

Endodontist  
Orthodontist (simple extractions up to 25% of procedures)  
Public Health Dentist  
Periodontist (surgical placement of implants up to 25% of procedures)  
Prosthodontist (surgical placement of implants up to 25% of procedures)  
Pediatric Dentist  
Oral Pathologist

**General Dentists performing the following procedures:**

Diagnostic  
Preventative  
Restorative  
Non-surgical TMJ treatments – mouth guards and splints  
Cosmetic whitening, veneers  
Restorative Implants up to 15% of practice (based on number of procedures)  
Endodontia – up to 25% of practice (based on number of procedures)  
Prosthodontia – up to 25% of practice (based on number of procedures)  
Periodontia – up to 25% of practice (based on number of procedures) excluding surgical implants  
Oral surgery (up to 25% of total practice, based on number or procedures; simple extractions only, no full bony or partial bony impactions)

This classification applies to all DDS's or DMD's who are Board Eligible or Certified Specialists in above areas; or are General Practitioners and who use local, nitrous oxide or oral conscious sedation. This classification also applies to all dentists who provide services to patients who have been administered deep sedation or general anesthesia in their office, or in a hospital, or surgi-center by an MD / nurse anesthetist, dentist anesthetist, or oral surgeon not in their employ.

**Class 2 DENTAL PROCEDURES LEVEL II & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

**Applies to all General Dentists:**

With greater than 25% of practice (in any one category) in the specialty areas of Prosthodontics and/or Endodontics, surgical Periodontal procedures, Orthodontics or oral surgery (simple extractions only, no extractions of full or partial bony impacted teeth).

For classification purposes all dentists whose procedures exceed 25% or more in the above specialized areas of practice will be rated under this classification.

**Class 3 DENTAL PROCEDURES LEVEL III & SPECIALIZED AREAS OF PRACTICE/PROCEDURES:**

**Applies to all Specialists (except Oral Surgeons) and General Dentists:**

Extractions of full or partial bony impacted teeth

**Applies to all General Dentists:**

Implant restorations that exceed 15% of the total practice or any % of surgical implants  
This classification applies to all General Dentists DDS's or DMD's whose practice specializes in providing implants. For classification purposes all insureds that treat 15% or more of their patients for implants will be rated under this classification.

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**Class 4 ANESTHESIA CLASS****Anesthesia:**

I.V. Conscious Sedation  
 I.M. Conscious Sedation  
 Sub-cutaneous Conscious sedation

Anesthesia: This classification contemplated the insured dentist administering the sedation and performing the dental procedure.

**Class 5 ORAL & MAXILLOFACIAL SURGEONS AND DENTIST ANESTHESIOLOGISTS****Anesthesia:**

In-Office Includes General Anesthesia

This classification applies to all Oral Surgeons and Dental Anesthesiologists. This classification would also apply to any DDS or DMD who administer and treat patients under deep sedation to an unconscious state, deep sedation, or general anesthesia in their office. Proof of their education, training and/or license/permit would need to be secured prior to proceeding.

**3. POLICY TYPE FACTORS**

<b>A. Claims Made Year</b>	<b>Factor</b>
Year 1	0.336
Year 2	0.567
Year 3	0.797
Year 4	1.000
Year 5	1.000
<b>B. Occurrence</b>	<b>1.100</b>

**4. INCREASED LIMIT FACTORS**

<b>Increased Limit</b>	<b>Factor</b>
\$100,000 / \$300,000	0.782
\$200,000 / \$600,000	0.890
\$500,000 / \$1,500,000	0.946
\$1,000,000 / \$3,000,000	1.000
\$2,000,000 / \$4,000,000	1.100
\$2,000,000 / \$6,000,000	1.150
\$3,000,000 / \$3,000,000	1.200
\$3,000,000 / \$6,000,000	1.250
\$4,000,000 / \$6,000,000	1.300
\$5,000,000 / \$5,000,000	1.325
\$5,000,000 / \$6,000,000	1.350

**5 DEDUCTIBLES**

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

The credit will be applied to the base rate, i.e.,  $\text{Manual Premium} = [(\text{Base Rate} \times \text{ILF}) - (\text{Base Rate} \times \text{Deductible Credit})]$

<b>DEDUCTIBLE</b>	<b>CREDIT</b>
\$0	0.00
\$1,000	0.05
\$2,500	0.10
\$5,000	0.19
\$10,000	0.30

**6 EXTENDED REPORTING PERIOD FACTORS**

<b>Number of Years of Prior Acts</b>	<b>Factor to be Multiplied by the Mature Claims Made Premium</b>
1 Year	0.80
2 Year	1.20
3 Year	1.45
4 Year	1.60
5 OR MORE YEARS	1.80

**7 NEW DENTIST DISCOUNT FACTORS**

<b>Years in Practice</b>	<b>Factor</b>
First Year	0.40
Second	0.60
Third Year	0.80

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**8 PART TIME DENTIST DISCOUNT FACTOR**

Number of Hours in Practice	Factor
20 hours or less per week	0.50
21 hours or more per week	1.00

**9 FACULTY DISCOUNT FACTORS**

Appointment Status	Factor
Full-Time	0.70
Half-Time	0.80
Part-Time	0.90
Zero-Time	1.00

**10 WAIVER OF CONSENT DISCOUNT FACTOR**

0.90

**11 RISK MANAGEMENT EDUCATION FACTOR**

0.90

**12 CLAIM FREE CREDIT DISCOUNT FACTORS**

Years	Factor
10 + years claim free	0.90
9 years claim free	0.91
8 years claim free	0.92
7 years claim free	0.93
6 years claim free	0.94
5 years claim free	0.95
4 years claim free	0.96
3 years claim free	0.97
2 years claim free	0.98
1 years claim free	0.99

**13 CLAIMS EXPERIENCE DEBIT**

**TOTAL OF ALL CLAIMS AMOUNT**

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.05	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

**14 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

	Credits	Range of Modifications	Debits
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%		25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%		25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%		25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%		25%
Maximum Debit/Credit=25%			

**15 ADDITIONAL INSURED'S PREMIUM CHARGE FACTOR**

10% Premium Charge	Factor 1.10
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STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

16 **BOARD EXAMINATION COVERAGE PREMIUM CHARGE**

Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$20  
\$1,000,000 aggregate

17 **MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Premium Charge for a Limit of Liability of \$50,000 per occurrence / \$50  
\$50,000 aggregate

18 **DISABILITY OR LEAVE OF ABSENCE**

75% Premium Discount **Factor**  
0.25

19 **ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)**

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dent **Credit**  
during their 3 year review period. 10%  
Recent graduates have 5 years to complete.

Fellowship Award Requirements - Fellowship requires 5 continuous years ( months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance). 15%

Accepted activities for Fellowship credits are:

Scientific Programs  
Postgraduate Education  
Federal Dental Service Specialty Rotation Programs  
Self-Instruction Programs  
Self-Improvement AGD approved courses

20. **ACADEMY OF GENERAL DENTISTRY MEMBERSHIP CONTINUED**

Membership Award Requirements - Mastership requires Fellowship status in completion of 600 credit hours of approved continuing education in each of 16 separate disciplines: 20%

Myofascial Pain Dysfunction / Occlusion  
Operative Dentistry  
Periodontics  
Fixed Prosthodontics  
Removable Prosthodontics  
Endodontics  
Oral & Maxillofacial Surgery  
Orthodontics  
Pediatric Dentistry  
Basic Sciences  
Oral Medicine / Oral Diagnosis  
Practice Management  
Electives  
Implants  
Special Patient Care  
Esthetics

21. **AMERICAN DENTAL ASSOCIATION MEMBER CREDIT**

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

22. **GROUP DISCOUNTS**

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	20%

**II. COVERAGE OPTIONS:**

**A Dentist Liability Package Policy**

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V, VI and VII. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

**B Employment Practices Liability - increased limits**

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

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The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees:  
The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

Limits of Liability*				
Number of Employees**	\$100,000 / \$100,000	\$250,000 / \$250,000	\$500,000 / \$500,000	\$750,000 / \$750,000
1-3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

\*A mandatory deductible of \$2,500 applies to the above coverage

\*\*10 or more employees - please refer to Company

**C ERISA Fiduciary Liability Coverage**

Coverage is available as follows:

Limit of Liability	Premium
\$100,000 / \$100,000	\$130

**D Organization / Entity Coverage**

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners.

There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

**E Billing Errors & Omissions Coverage**

Coverage is available as follows:

Limits of Liability	Premium
\$25,000	\$100

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**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**  
**DENTAL PROFESSIONAL LIABILITY**  
**RATING RULES**  
**ILLINOIS**

**I. COVERAGES AVAILABLE:**

**Option I. Dental Professional Liability (Monoline Professional Liability)** Coverage Type  
Claims - Made or Occurrence  
Mandatory minimum coverage

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000

**Option II. Dental Professional Package:**

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions - \$2500/\$2500	Claims - Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VII Billing Errors & Omissions
A.	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
B.	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
C.	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
D.	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
E.	\$2,000,000 / \$4,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
F.	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
G.	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
H.	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
I.	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
J.	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
K.	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may ne increased to \$25,000 for an additional payment of \$100.

**II. GENERAL RULES**

**1 PREMIUM BASE**

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

**2 POLICY TERM**

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

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**3 PREMIUM COMPUTATION**

- A. Compute the premium using the rates in effect at the time of policy issuance.
- B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

**4 ADDITIONAL PREMIUM CHARGES**

- A. Pro-rate all changes requiring additional premium.

B. Apply the rates and rules in effect on the effective date of the change.

C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

**5 RETURN PREMIUM CHARGES**

- A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.

B. Compute return premium at the rate used to calculate the policy premium.

C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**6 POLICY CANCELLATION**

- A. Compute return premium pro rata when:

- 1 A policy is canceled at the Company's request.
- 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
- 3 A policy is canceled and rewritten in the same Company or Company Group.
- 4 A policy is canceled due to death, disability or retirement.

B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.

C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

**7 LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

**8 MAXIMUM CREDITS ALLOWABLE**

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, and claims made step factors.

**9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)**

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

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**10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

- A. The available limits of liability shall not exceed those afforded under the current policy.
- B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.
- C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect at the beginning of the policy period.
- D. The Extended Reporting Period coverage shall be reinstated to 100% of the aggregate expiring limits.
- E. There will be no charge for Extended Reporting Period coverage if the Insured:
  - 1 Dies, or
  - 2 Becomes totally and permanently disabled  
Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.
  - 3 Fully retires at age 50 or more and has been insured under an affiliate Company for at least 5 years. If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.
- F. The Extended Reporting Period shall be Unlimited.
- G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.
- H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.
- I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.
- J. After the Extended Reporting Period coverage has been paid, it cannot be cancelled for any reason.

**III. COVERAGE RULES**

**1 NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.

**2 PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.

**3 FACULTY DENTIST**

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week  
Half Time - 16 to 31 hours per week  
Part Time - 15 hours or less per week

**4 WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.

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**5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.

**6 CLAIM EXPERIENCE**

**Claim Free Credit:**

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

All insured previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

**Claim Experience Debit:**

Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.

Debits will be adjusted each year, dependent upon annual review of claims experience.

**7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.

**8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.

**9 ADDITIONAL INSURED**

The "Additional Insured Endorsement" will be used to add additional insured to the policy.

**10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.

Coverage is to be written on a separate policy as follows:

- A. On an occurrence basis only;
- B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
- C. The policy period will not exceed one year from the effective date.

**11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

**12 LOCUM TENENS**

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required.

Locum Tenens dentists are subject to all applicable underwriting guidelines.

**13 MILITARY SERVICE**

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend policy coverage.

**14 DISABILITY OR LEAVE OF ABSENCE**

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence.

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## 15 QUARTERLY INSTALLMENT PLAN

The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	40%
Second Quarter	20%
Third Quarter	20%
Fourth Quarter	20%

**FILED**

MAY 26 2010